GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1922
ANSWERED ON:13.03.2008
COMMISSION GIVEN TO THE PETROL PUMP DEALER
Gadakh Shri Tukaram Gangadhar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the rate of commission given to the petrol pump dealers are very low;

(b) if so, the reasons therefor;

(c) whether due to low commission there is a trend among dealers to adulterate petrol and diesel; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAPATEL)

(a)&(b): The dealers commission on petrol and diesel is reviewed from time to time by the Committee of Directors (Marketing) of Public Sector Oil Marketing Companies (OMCs) after taking into consideration the various components like expenses incurred by the dealers, future requirements i.e. return on investment, operating cost of the outlet etc. and approved by the Government. The rate of dealers commission was enhanced from Rs 894/- per KL to Rs. 1024/- per KL for petrol and from Rs. 529/- per KL to Rs. 600/- per KL for diesel effective from 15-16.5.2007 (midnight) and is not considered low.

(c)&(d): Does not arise. However, the possibility of adulteration of petrol/diesel by someunscrupulous elements cannot be ruled out due to huge price difference between petrol/dieseland various adulterants available in the market and the easy miscibility of these productswith petrol/diesel.

OMCs undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provide for termination of dealership in the first instance itself for serious malpractices like adulteration, tampering of seals, and unauthorized fittings/ gears in dispensing units.

In order to check adulteration, the Government has taken a number of additional initiatives viz., Automation of Retail Outlets, Third party certification of Retail Outlets, Monitoring of movement of tank trucks through Global Positioning System (GPS), use of Marker in kerosene, Revision of MDG etc.